

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 382 – SB 618

February 23, 2017

SUMMARY OF BILL: Prevents the use of license denial, revocation, restriction or contempt of court orders to ensure child support arrearages owed by a person who executed a voluntary acknowledgement of paternity that has since been rescinded due to fraud, duress, or material mistake of fact. Requires any voluntary acknowledgement of paternity to include a statement of the person's right to petition a court to have the voluntary right rescinded. Requires the father to indicate, by initialing the statement, that the right to rescind has been explained to him prior to executing the voluntary acknowledgement.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$55,400/One-Time

Increase Federal Expenditure - \$107,500/One-Time

Assumptions:

- Based on information provided by the Department of Human Services (DHS), a system update will be required in order to communicate with the Department of Health (DOH), the Office of Vital Records, in order to obtain information regarding paternal establishment, including the execution and rescission of voluntary acknowledgement of paternity.
- Additional system modifications are required to:
 - prevent the prohibited enforcement actions from being initiated against individuals who have rescinded a voluntary acknowledgement of paternity.
 - update the existing legal actions processes on the Tennessee Child Support Enforcement System (TCSES) to prevent an order of contempt from being initiated on a case where the voluntary acknowledgement of paternity has been rescinded.
 - update the current license revocation process to prevent revocation or restriction on cases where the voluntary acknowledgement of paternity has been rescinded.
- The TCSES update and modifications per the contract will result in a one-time increase in expenditures estimated to be \$162,900.
- Federal Child Support Enforcement dollars require a 34 percent state match rate.
- The total one-time increase for state expenditures is estimated to be \$55,386 (\$162,900 x 34.0%).
- The total one-time increase in federal expenditures is estimated to be \$107,514 (\$162,900 x 66.0%).

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- Any updates to DHS' policies, procedures, and training materials to comply with the requirements of the proposed legislation can be accommodated within existing resources without an increased appropriation or reduced reversion.
- In 2015, there were 31 voluntary acknowledgements of paternity and an additional 28 in 2016. Of these cases, a very small number resulted in license denial, revocation, restriction or contempt of court orders. It is estimated that any impact on licenses and associated fees will be not significant.
- Based on information provided by the DOH, the proposed legislation will minimally impact the Office of Vital Records; therefore, any fiscal impact is considered not significant.
- Based on information provided by the Administrative Office of the Courts, the proposed legislation will have no significant fiscal impact on the court system.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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